Where the Top 25 Stand with Naturals

Chain Name	# of stores	snacks/ foods	vitamins/ minerals	H&BA/ cosmetics	Herbal teas/ herbs	Books & magazines	natural private label	comments
Walgreens	1,006	Yes	Yes	Yes	No	No	Yes vitamins	in-line merchandising
Eckerd	1,425	Yes	Yes	Yes	No	Yes	Yes vitamins	strong push of private label naturals
American Stores (Including Osco)	725	Yes	Yes	Yes	Yes	Yes	Yes vitamins	extremely large commitment, especially in vitamins
Revco	1,760	Yes	Yes	Yes	No	Yes	Yes vitamins	in-line merchandising
Thrifty	537	Yes	Yes	Yes	No	Yes	Yes vitamins	in-line merchandising
Longs	176	Yes	Yes	Yes	Yes	Yes	vitamins, H&BA	large departments, success with bulk foods, natural snacks, tea and no salt items
Rite Aid	1,206	No	Yes	Yes	No	No	vitamins	in-line merchandising
Peoples	600	Yes	Yes	Yes	Yes	Yes	vitamins	some test departments
Pay Less	149	Yes	Yes	Yes	Yes	No	Yes vitamins	chain is currently disbanding nutrition centers in favor of in-line positioning
SupeRx	620	Yes	Yes	Yes	Yes	some units	Yes vitamins	currently reviewing category for possible changes
Pay 'n Save	138	No	Yes	Yes	Yes	Yes	Yes vitamins	Tested Health Spectrum in two stores, expanded to Western Washington stores
CVS	520	No	Yes	Yes	Yes	No	Yes vitamins	in-line
Gray Drug Fair	410	Yes	Yes	Yes	No	No	Yes vitamins	in-line
Thrift	366	Yes	Yes	Yes	No	Yes	Yes vitamins	in-line
K&B	122	Yes	Yes	Yes	Yes	Yes	Yes vitamins	in-line
Dart	74	No	Yes	Yes	No	Yes	Yes vitamins	cross merchandising
Adams	430	Yes	Yes	Yes	No	Yes	Yes vitamins	in-line
Hook	296	Yes	Yes	Yes	No	No	Yes vitamins	strong vitamin push
Perry Drug	210	Yes	Yes	Yes	Yes	Yes	Yes vitamins	strong nutrition center push in markets where demographics are right
Fay's	111	Yes	Yes	Yes	Yes	Yes	Yes vitamins	operates nutrition centers cross merchandises key items
Snyder's	92	Yes	Yes	Yes	Yes	Yes	Yes vitamins	strong natural products push
Genovese	79	Yes	Yes	Yes	Yes	Yes	Yes vitamins	starting to move items from nutrition center to in-line
Medi Mart	120	Yes	Yes	Yes	Yes	Yes	Yes vitamins	reducing nutrition departments, retaining fast movers
Duane Reade	21	Yes	Yes	Yes	Yes	Yes	Yes vitamins	in-line
Super D	92	Yes	Yes	Yes	No	No	Yes vitamins	in-line

MERCHANDISER

Special report:
Ethnic products

Chains, wholesalers expand ethnic lines

As the ethnic category continues to heat up, more and more drug retailers are increasing their commitment, and now even wholesalers are entering the fray for the first time.

Most drug retailers report that they have added space and sku's to their ethnic sections in the past year, while several major chains say they plan to introduce departments chainwide.

The success of the category has also captured the attention of several major wholesalers, who say they will offer specialized planograms to their customers.

Among the major developments:

- SupeRx is creating its own planograms ranging from 3 ft. to 48 ft. and is working with the American Health & Beauty Aids Institute to develop a program for ethnic cosmetics.
- Hook Drug has added over 50 ethnic hair care items to its warehouse in the past year.
- Gray Drug last month began promoting ethnic products on a chainwide basis.
- At least three major wholesalers—McKesson, Bergen Brunswig and Fox-Meyer—have drawn up ethnic department planograms for their customers.
- Judith Lynn and Ben Sheftall are among the ethnic product distributors that have expanded their lines to include Hispanic.

This burst of activity is indicative of the efforts not only to improve the merchandising of the ethnic mix, which can yield margins as high as 45% and turns of up to 19, but also to keep with the growing population of blacks and Hispanics.

In the past decade, the black population has shot up 18%—three times that of whites. Today blacks make up about 12% of the entire population, and it is predicted they will account for 12.8% in 1993. In 1980, blacks spent close to $400 million on health & beauty aids and cosmetics. By 1983, that figure had grown to about $2 billion.

Because of their special hair care needs, blacks spent most of their H&BA dollars on hair care. In 1983, 41% of those dollars—or $820 million—went for hair care products. Purchases of ethnic products made up 27% of the entire $3 billion hair care market.

The Hispanic market is also growing rapidly. It is estimated that the more than 22 million Hispanics who live in the United States spend more than $60 billion annually. What's more, the Hispanic population is increasing 6.5% faster than the population at large.

A study released in September by Yankelovich, Skelly & White Inc., concluded there has been a distinct "blurring of differences" between U.S. Hispanics of varying national origins and thus, "the marketer could consider all Hispanics in aggregate as [one] consumer segment."

On the other hand, the study showed that there has been a rise in Hispanic identification since 1981 and a greater desire by Hispanics to pass traditions along to their children.

Because of their willingness to offer and promote full lines of ethnic products, drug chains continue to be the primary outlet for retail sales of these products. In 1983, according to A. C. Nielsen, 58% of all ethnic hair care dollars were spent in drug stores, an 11% increase over 1982. In comparison, 24% of the dollars were spent in food stores (up 19%) and 18% in mass merchandisers (a 7% increase).

As for unit sales, drug stores held 54% of the market, up 6%, while food stores had a 29% share (up 19%) and mass merchandisers, 17% (an 8% decrease).

Because hair care is the dominant part of this category, the changes that are occurring and which are predicted are of particular importance to retailers and wholesalers. The most significant current questions: What will happen to the curl market, and is straightened hair the next strong trend?

Hair care

Between 1978 and 1983, the curl market generated $143 million in activator sales and $79 million in kit sales. Most industry sources say the market is still strong, but sales have leveled off and

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Stories by Gail Appleson

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MERCHANDISER

Chains, wholesalers expand ethnic lines

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many say the strength is regional.

According to Karen Nelson, assistant product manager for M & M Products Co. in Atlanta, geography has a lot to do with the popularity of the curl. "In the South and West you see more curls. It's a convenience because of the heat and humidity," she said. "In the North and East, women have gone back to relaxing their hair."

Armand Jackson, senior product manager for the professional products division of Alberto Culver, makers of TCB, said that relaxers are definitely on the increase. "The curl business is leveling off, but there are still a large number of people with curls. There are certain pockets where it is still doing quite well."

Walt Smith, general manager of Worlds of Curls, and Lou Parent, senior vp of Carson Products, also agreed there is a trend toward straightened hair for women and away from the curl. The manufacturers also said the wave has become popular for men.

On the other hand, Beauty Enterprises, an ethnic products distributor in Hartford, Conn., reported an increase in sales of curl kits and related maintenance products between October 1983 and 1984. According to Rocky Piccirillo, director of operations, curl products made up 49.6% of their sales, up 6.8%, and wave products increased by 11%. In comparison, relaxers made up 10.9% of the rackjobbers' sales, a 1.2% decrease.

Yet, manufacturers are predicting these sales figures will begin to change in the next 12 to 24 months and are gearing up to meet new consumer demands.

For example, TCB and Worlds of Curls will be among those manufacturers soon introducing new relaxer and grooming products. "That's the direction we're moving," said Smith of Worlds of Curls.

Industry sources are now curious as to whether a trend toward straightened hair will mean better sales for ethnic mousses, a new subcategory that has been moving slowly in comparison with the mass-marketed product.

Jackson said that TCB, which recently introduced a mousse, was hopeful that with the trend toward straightened hair and an advertising campaign that began in October, sales would be good.

Smith and Nelson said their companies may be looking into mousse in the future, but Parent said his company had rejected the idea. "They just don't seem to be catching hold in the ethnic market," he said.

In another area of hair care, Parent said hair coloring was doing well. Carson estimates that 25% of all black women have tried it and 85% continue to buy hair coloring. He pointed out the biggest challenge was convincing chains to display ethnic hair color with the mass marketed products. "When a woman wants color, she goes to where the color is."

Parent said lighter and brighter shades are now popular, and that the company was having a good response to its three new shades, light brown, fiery auburn and honey blonde.

Cosmetics

Another developing ethnic category is cosmetics. So far, all ethnic cosmetics sold in drug stores have been blister-packed and dominated by Posner, Ultra-Sheen, Zuri and Honey & Spice. Chain drug store buyers disagree over how well these cosmetics sell. There's also no consensus about whether the problem lies with how they are displayed and promoted or whether there just isn't a market.

"We're doing extremely well," said Pat Duckworth, cosmetics buyer at Peoples Drugs, about the pegged ethnic cosmetics. She said the stores have 2- and 4-ft. ethnic cosmetics departments.

Duckworth said the nail polish and lipstick are selling best, and that a new hot item this year is Honey & Spice's artificial fingernails.

Peoples, which has ethnic departments in 93 of its stores, does all its cosmetics planogramming in-house. "By offering stores a good mix with a lot of planograms, they're more willing to get involved," she said.

She said that at one time Peoples did poorly with ethnic cosmetics because the stores weren't carrying full lines. "One of the problems dealing with ethnic cosmetics is that a lot of stores don't understand what to carry. The ethnic sales are there. There's no doubt about it."

However, some buyers disagreed. One cosmetics buyer for a large Southern chain said there are no strong ethnic cosmetics programs available to drug stores. "Black women still go to department stores for Fashion Fair and spend $10 when they could get Honey & Spice for $3.79."

Helen James, cosmetics buyer for Hook, said there doesn't seem to be strength in any one brand of ethnic cosmetic. "Blacks still haven't found what they want," she said.

Piccirillo of Beauty Enterprises said he felt sales in ethnic cosmetics were not stronger because many colors are duplicated in mass-marketed lines and because the blister packs discourage impulse sales.

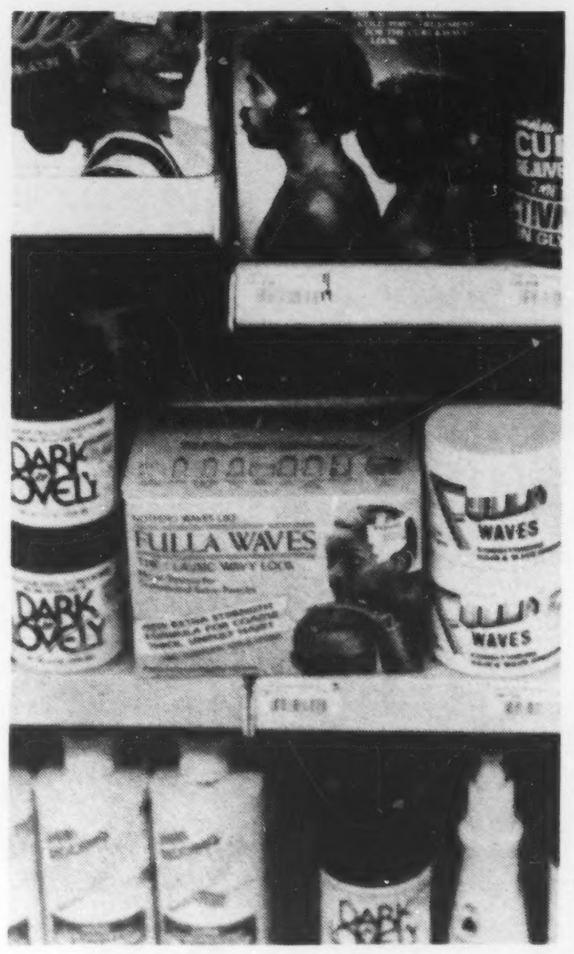
He said his company usually recommends that stores limit space for ethnic cosmetics to 1 to 2 ft. We seldom recommend 4 ft. You're just not going to get the turns."

Buyers agree that although blacks frequently use skin cream, most ethnic products are still not particularly strong movers. Soft Sheen's Cocoa Creme Butter, however, was frequently mentioned as a good seller.

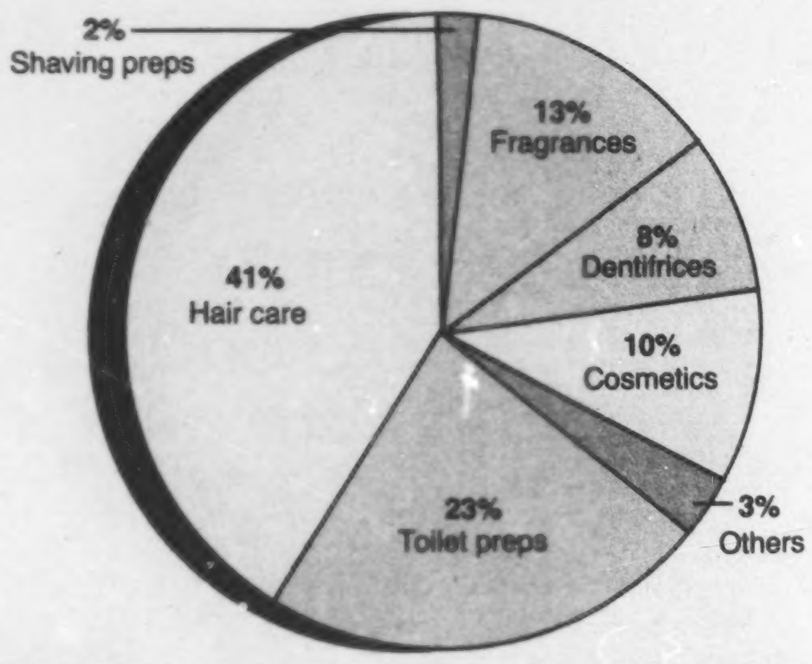
Skin care

There has also been little movement in shaving aids, though Magic Shave Powder most often named as a best seller. Because a majority of blacks suffer from pseudofolliculitis, or razor bumps, they cannot use most mass-marketed shaving creams. Some buyers said they would like to see new entries in this area and were curious about a new advertising campaign aimed at blacks by Selby Drugs, manufacturer of Peau de Soie, a shaving creme that has been targeted toward white women. (See related story in this special section.)

Piccirillo said his company has seen good sales of the specially made American Safety Razor. He said that although the entire shaving subcategory makes up only about 2% of all sales, dollar sales rose 37% between 1983 and 1984.



Ethnic H&BA product sales breakdown (1983 sales = $2 billion)



Source: Business Trends Analysis

MERCHANDISER

Chains begin to target Hispanic market

With all the various nationalities that make up the so-called Hispanic culture, retailers have long worried that they would never be able to create an H&BA section with enough mass appeal to justify the investment in space.

But now a new study by Yankelovich, Skelly & White has exposed the flaw in that thinking. The study says that since 1981 there has been a distinct "blurring of differences" among U.S. Hispanics of varying national origins.

Yankelovich concluded that "the marketer should consider all Hispanics in aggregate as [one] consumer segment."

Special report:
Ethnic products

Although chains have been reluctant to establish Hispanic sections, a few, including SupeRx, have put in 3- and 6-ft. H&BA sections in selected stores, and a number of chains, including Walgreens, Eckerd and Gray, carry Hispanic cosmetics.

Chains should also consider another Yankelovich finding that Hispanics want to preserve religious and national traditions, as well as their native language. This means there is probably a growing market for items in Spanish packaging imported from Mexico and other countries. These items may have been used by Hispanic consumers or their parents in their native countries.

At least two rackjobbers, Judith Lynn and Ben Sheftall, are offering Hispanic planograms and say these imported items are definitely doing well in areas with large Hispanic populations. These items include shampoos, tonics, soaps, aspirin, antacids and rubbing alcohol. Judith Lynn and Ben Sheftall both report that most of these items are imported from Mexico.

According to Diana Warren of Judith Lynn's one-year-old Tampico Division, stores with as little as 15% Hispanic traffic can support a separate department.

"The need is there," said Warren. "It's so much like the ethnic market was years ago."

Judith Lynn offers a 3-ft. planogram with 79 sku's and a 4-ft. planogram with 86 sku's. Larger planograms can be designed to meet the needs of individual stores, Warren said.

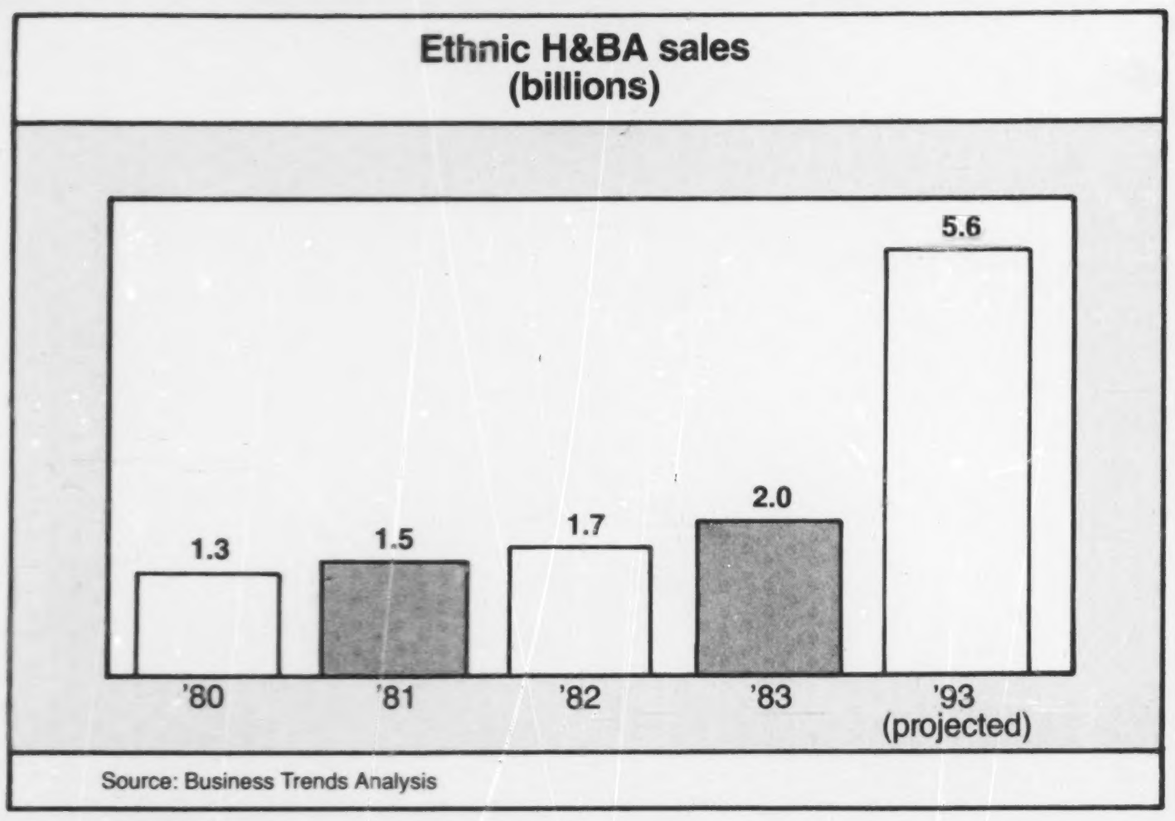
Richard Eichholz, president of Ben Sheftall, said his company offers 2-, 3-, 5-, 8- and 12-ft. planograms for Hispanic departments. Like Judith Lynn, Sheftall can create larger planograms to meet greater needs, and the planograms are flexible enough to accommodate specially requested items, such as religious candles and even Cuban coffee pots.

Like ethnic planograms, there is also a need to merchandise regionally manufactured products. For example, Miami area stores may want to carry the locally manufactured Mirthas hair and skin care products, said Eichholz.

Cosmetics have also become a popular category in Hispanic merchandising. In fact, the second mass-marketed Hispanic line with bilingual packaging debuts this month. It is called Lindeza and it is being distributed by Mas Industries Inc. of Santa Monica, Calif., along with a fragrance called Enamorada. The products will first be introduced in the Miami market and will be available nationwide as Mas receives shipments from the manufacturer in Barcelona, Spain.

Lindeza enters the market about one year after Belleza Internacionale Inc. of Lake Bluff, Ill., began distribution of its qué Guapa cosmetic line. Qué Guapa is now in about 3,000 outlets including many Eckerd stores, said Leslie Niesse, marketing manager.

Lindeza and qué Guapa items are similarly priced, averaging between $2.50 and $3.50 and are all blister-packed. Included in each line are eye shadow singles and duos, nail polish, lipstick and blush. Distributors say retailers can achieve about 40% margins with both brands.



Unlike qué Guapa, the Lindeza line includes foundation and eye pencils. Mas is also offering the upscale Enamorada fragrance, which comes in a 3.4-oz. spray with a suggested retail price of $21.50 and a 1.7-oz. pour cologne with a suggested price of $15.

Rita Moreno is the spokesman for Lindeza and Enamorada, and she is appearing in a four-week Spanish television commercial campaign in the Miami market. She will also appear in mass-market television commercials as the products become more widely available.

Mas has received orders from Walgreens, Gray and SupeRx for their Miami-area stores, said Stewart Brown, Mas vp.

The same chains are also offering qué Guapa in selected stores, said Niesse.

Currently the company is advertising on radio stations and in the Spanish editions of such magazines as *Harper's Bazaar* and *Cosmopolitan*.

Belleza has also been working with retailers to promote qué Guapa, Niesse said. In addition to co-op dollars, Belleza has provided in-store demonstrations at such chains as Walgreens.

"Walgreens has been one of our biggest promoters," Niesse said, complimenting the chain for its work with cosmeticians and neighborhood flyers.

Another new entry into Hispanic merchandise are novelty bath products featuring Menudo, the popular five-member Hispanic pop group. The bath accessories—soap, bubble bath and sponges—are packaged to resemble audio equipment. They are available from Berdell Cosmetics, a subsidiary of CCA Industries.

Study finds increase in Hispanic income

The percentage of Hispanic families earning $20,000 or more increased from 28% to 36% between 1981 and 1984, according to a study released by Yankelovich, Skelly & White Inc.

This study also found that the average Hispanic income has grown from $15,900 to $17,800, while those earning less than $10,000 has decreased from 38% to 32%.

Although Hispanics appear to have more money to spend—good news for retailers—the study also suggested that Hispanics are becoming generally less responsive to new products and new stores.

Since 1981 there has been a drop in the percentage of Hispanics who are looking for new foods, liquor and beer, laundry products, magazines and department and grocery stores.

Yankelovich deduced that "apparently, along with other Americans, Hispanics are now more focused on coping with and winning in the more limited economic climate."

Like the 1981 study, Yankelovich found that a majority of Hispanics said they were paying more attention to how long a product lasts in relation to its price. And while they are not looking for new products, they will stay loyal to brand names they have previously used. In fact, 82% in both 1981 and in 1984 agreed with the statement, "Once I find a brand I like, I stick with it."

Of the Hispanics surveyed, 38% said the "biggest, most popular brands are best," compared with 22% of the general United States public. The study showed that 40% of the Hispanics agreed that private-label products are as good as the nationally advertised brands, compared with 61% of the total United States population.

Another area of interest to retailers is that while Hispanics continue to hold more traditional views about sex roles, there are early signs of progress for women.

For example, in 1981 48% of those surveyed said a married women with children should be able to have a career. That percentage increased slightly to 50% in 1984.

In 1981, 23% of those surveyed said that unless extra money is needed, a woman with children should not have an outside job. That figure dropped to 21% in 1984.

There was a greater drop in the number who said the man of the house should decide on buying expensive items like a television, car or house. That percentage dropped to 46% in 1984, from 55%.

The study was commissioned by SIN Television and is an update of a 1981 survey of 775 respondents.

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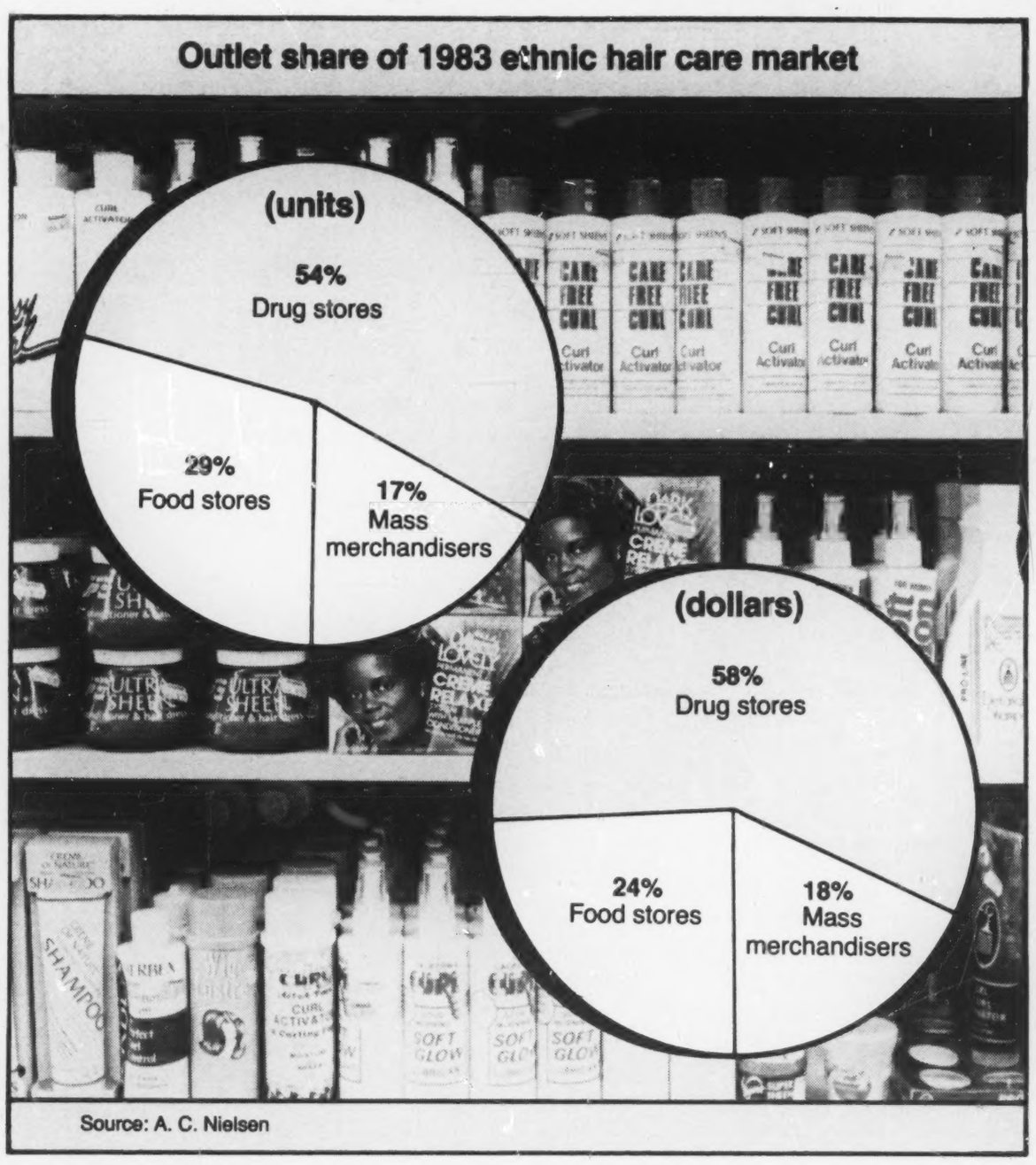

Indies attracted

Three giant wholesalers lead charge to ethnics

Wholesalers are jumping into the ethnic section planogramming business, with at least three of the giants leading the way.

McKesson, for example, this month launched a national program. FoxMeyer began a limited program in July, and Bergen Brunswig will be starting one shortly.

The planogramming service is particularly attractive to independents who either can't afford a rackjobber or who want to control the section themselves. By using a wholesaler's planogram, a store can order most of its stock—ethnic along with OTC and other H&BA—from one source. This eliminates the problems of large minimum orders and dealing with many suppliers.

Dealing with wholesalers may also mean a savings because the larger the overall order, the better the price. The wholesaler service is also relatively inexpensive. McKesson, for example, charges $25 a month.

McKesson is now offering four different planograms—4 ft., 8 ft., 12 ft. and 16 ft.—and these are available nationwide.

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FoxMeyer has three different planograms—4 ft., 8 ft. and 12 ft.—but they are only available in certain regions. The wholesaler introduced the planograms in July in the Memphis and Little Rock markets. In October, the program was expanded to St. Louis and this month, Cincinnati was added.

Bergen Brunswig is just about ready to unveil its 12- and 16-ft. planograms, the latter containing 340 sku's of H&BA and cosmetics.

"The market is there and we recognize it as a growing business and that many customers would like us to be the source for it," said Thomas Allison, vp of merchandising for Bergen.

Exec gives planogram her personal touch

After two years of research, Rhea Palmer, national merchandise manager of H&BA for McKesson, is finally seeing her pet project—ethnic planogramming—become a reality.

Not only is it a personal triumph for Palmer, it is also a breakthrough for McKesson, as the industry giant becomes the first major full-line wholesaler to field a national ethnic planogram program.

Last month McKesson unveiled four different ethnic planograms ranging from 4 ft. to 16 ft., the latter containing a maximum of 350 sku's, including cosmetics. The wholesaler has also added some 200 new black hair care items to its inventory.

A buyer for 18 years—most of that time with the Value Giant chain that was purchased by Pay Less—Palmer came to McKesson three years ago with the hope that the wholesaler would let her develop an ethnic planogram.

"I feel very close to this market. I don't know if it's because I'm black or because I knew there was so much potential," she said.

Palmer said she knew there were many independents who weren't doing the business in ethnic because they were trying to arrange facings without knowledgeable help. Or maybe, she said, they couldn't afford rack jobbers, and so they weren't even selling the products.

As a consumer, Palmer was irritated because the products she needed were not available at neighborhood stores. And like other consumers, she stopped shopping the stores that didn't carry what she needed.

Palmer was optimistic McKesson would consider her observations and let her pursue her proposal. "McKesson is constantly exploring avenues of new business," she said.

And she was right. McKesson gave Palmer the go-ahead and soon she was engulfed in stacks of marketing and sales reports and taking part in rounds of meetings with manufacturers—in addition to her other H&BA duties. This year, all that information began to take shape. Now, two years of Palmer's work is condensed on smart, glossy gray paper photographs of five shelves containing rainbows of multicolored boxes, sprays and cremes.

'I feel very close to this market,' Palmer said. 'I don't know if it's because I'm black or because I knew there was so much potential.'

Palmer is confident that the new planogramming service will be a success. She said her office can keep on top of the fast-changing category with McKesson's sophisticated computers that keep track of sales information. When McKesson feels changes should be made in the planogram, Palmer will send out bulletins to its distribution centers.

Another plus is that McKesson can help stores avoid out-of-stock problems by providing same- or next-day deliveries to most locations. With the new service, McKesson ships out ethnic products separately from other H&BA to make it easier for stores to stock shelves.

The ethnic planograms are part of McKesson's Econoplan, to which stores can subscribe for $25 a month. The plan includes two new planograms a month from McKesson's 32 departments.

McKesson also offers rack jobbing through its COSMcK program, which includes shelf maintenance and pricing.

As for Palmer's next project, it will most likely be the Hispanic market.

"The Hispanic market is growing, and I do plan to research that market. It's a strong possibility we will come up with a program for Hispanics, but I don't know the breadth," Palmer said.

MERCHANDISER

SupeRx stocks, planograms own depts.

SupeRx took the plunge this year into warehousing and planogramming its own ethnic departments—a move that helped win the chain recognition from the American Health and Beauty Aids Institute for its aggressive merchandising efforts.

SupeRx now has ethnic departments in over 400 of its 570 stores, and according to David Wesloh, merchandise manager, the chain would like such departments in all stores by 1985.

SupeRx changed its approach about a year ago when it went from complete dependence on rackjobbers to join with Kroger in warehousing many items and creating in-house planograms. Now the Cincinnati-based chain uses rackjobbers to supplement departments 12 ft. and over.

Special report: Ethnic products

Planograms now range from 3 ft. to 48 ft. A typical 12-ft. planogram contains 300 sku's.

"One of our biggest challenges in the planograms is to allot space to local products," Wesloh said. "We try to keep 2 to 3 ft. for locally manufactured products and that makes it difficult for a national planogram."

Even in the smallest departments, about 18 in. are saved for regional products.

Wesloh, who developed the planograms with Bonnie Madill, buyer, and input from members of the AHBAI, said, "It's been an experience for Bonnie and I. We haven't perfected the allocations and we recognize there needs to be more work."

One of the areas that AHBAI and SupeRx are continuing to explore is ethnic cosmetics.

"Cosmetics are confusing and less stable than hair care," Wesloh said. I don't think anyone has a good handle on it. So we asked the AHBAI to help us with a planogram."

Wesloh said SupeRx hopes to have the cosmetics planograms in 20 stores by early next year. He said other stores will also continue to carry a smattering of ethnic cosmetics.

According to Anthony Fanticola, director of merchandising, the planogram will emphasize shades of colors. He said the chain is considering eliminating some of its slower-moving lines of mass marketed cosmetics to make room for a more extensive selection of ethnic cosmetic colors.

Fanticola said SupeRx continues to work with the AHBAI in determining whether the chain should allocate more space in individual stores for ethnic sections, and in some cases, whether the space should be reduced.

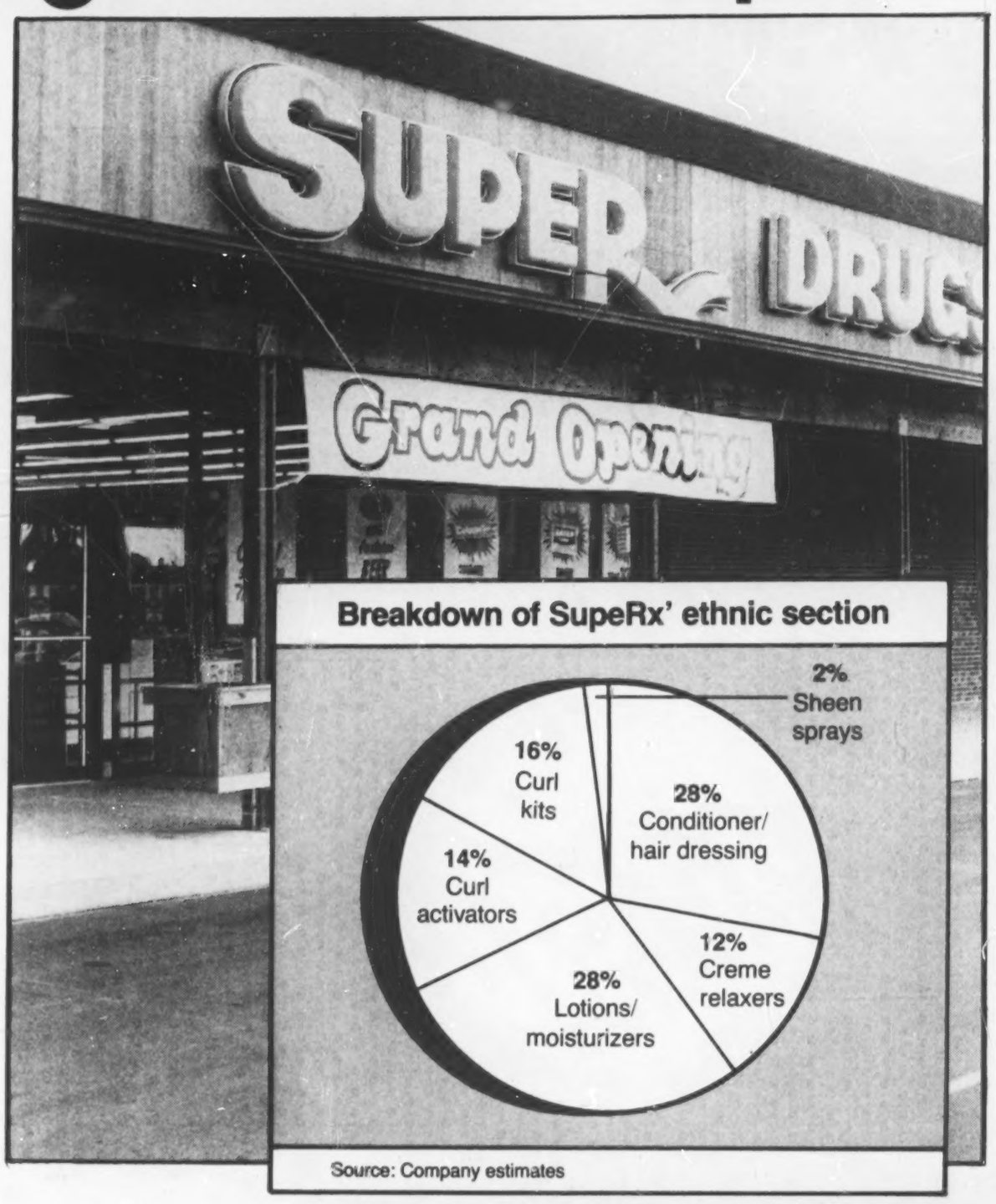
In another development this year, Wesloh said SupeRx recently started promoting ethnic products on a chain-wide basis.

SupeRx is also promoting ethnic products through in-store displays and endcaps.

Wesloh said he and Madill have begun to attend ethnic trade shows to increase their understanding of the category.

The successful experience with separate ethnic departments has encouraged the chain to create separate Hispanic sections in a few of its Florida stores. These departments are small, 3 ft. and 6 ft., with 100 and 160 items, respectively. These few stores are also carrying Hispanic cosmetics.

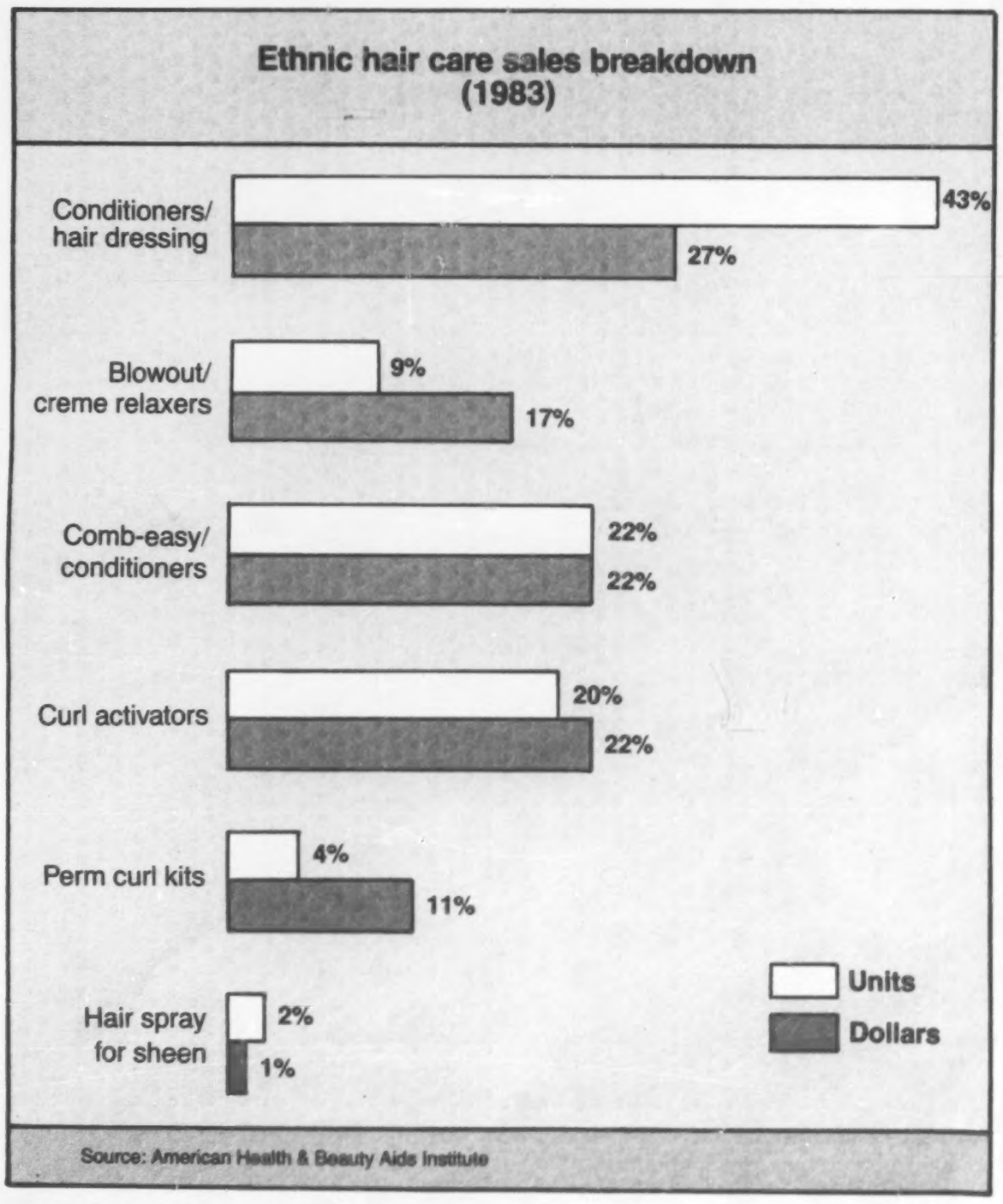
"I think these departments really have a lot of potential in certain locations," Wesloh said.



Breakdown of SupeRx' ethnic section

Source: Company estimates

Ethnic hair care sales breakdown (1983)



Source: American Health & Beauty Aids Institute

MERCHANDISER

Ad watch

Chains step up ethnic beauty aid promotions

Eckerd ran Ultra Sheen Conditioner & Hair Dress for $1.27 and Soft Sheen's Care Free Curl at $2.59.

K&B aggressively promoted its house brand Afro Sheen Spray at two for $2.60 and Curl Activator at two for $3.

Drug chains have recognized the potential of the ethnic market and are featuring more ethnic beauty aids in their direct-mail and newspaper advertisements.

A recent survey of newspaper advertisements from retail drug chains throughout the country revealed that a number of chains were promoting ethnic products, particularly hair-care items. Among the chains that were most aggressive were Peoples, Thrift Drugs, K&B and Eckerd Drug.

K&B was promoting its private label Afro sheen hair spray and curl activator, while Thrift concentrated its efforts on such popular sellers as Revlon Creme Relaxer Kit and Soft Sheen's Care Free Curl.

Among the items Peoples recently promoted were Blue Magic Hair & Scalp Conditioner, 12-oz. jar for $1.49; Royal Crown Hair Dressing at 99¢; Artra Skin Tone Cream for $2.99, and Vigorol Pro-Tek Gel for $1.19.

Shave creme to expand aim to blacks

Selby Drug Co. of Elizabeth, N.J., may have been missing a bigger audience this year when it first marketed its shaving creme Peau de Soie for white women.

Michael Rosenberg, president of Selby, said one of his black sales reps told him some months ago that many blacks were using the product because it contains lecithin, which seems to prevent razor bumps. So Selby hired a company to survey consumers, and Rosenberg said they found there were many black users, men as well as women.

"Our original target was white women. So this wasn't intentional. Peau de Soie wasn't structured as an ethnic product," Rosenberg said.

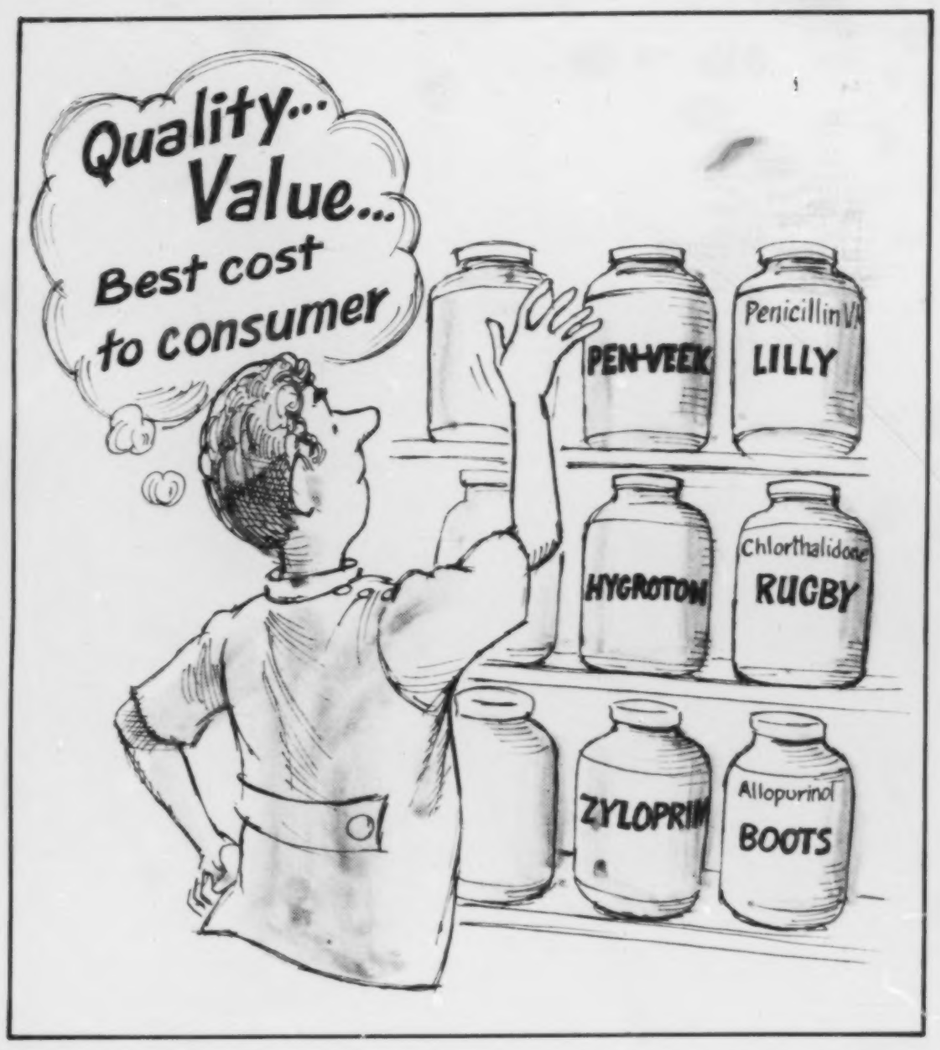
Now the company is expanding its approach and is scheduling ads aimed at men and women in *Ebony* and *Essence* and on black radio stations. It will also be using black models on billboards. Press releases telling retailers that Peau de Soie is popular among black men and women has also piqued some interest. However, none of the chains contacted was rushing to move the product from the depilatory section to ethnic.

A common question from retailers was, "Well, is he going to change the packaging?" Peau de Soie comes in silver, bronze and gold containers bearing the prominent silhouette of a ballet dancer.

Rosenberg said there are no immediate plans to remove the ballerina, but the company will be using decals with the picture of a black man shaving on cans sold in black communities.

Peau de Soie, originally marketed for use by white women will soon take on a new look to appeal to black men and women.

PHARMACY



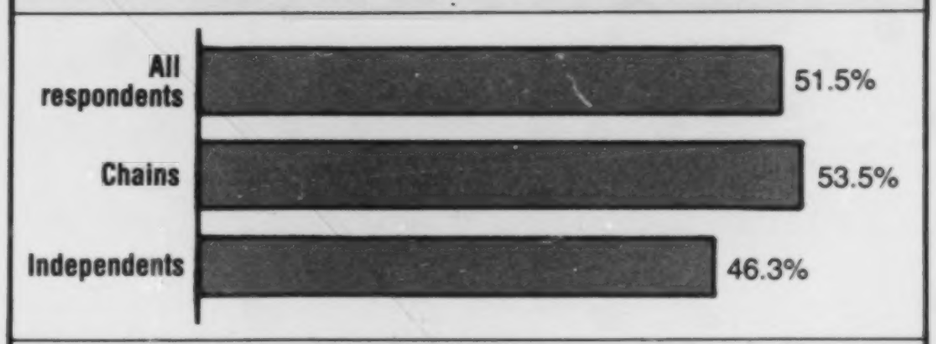
Pharmacists: Generic scripts are on the rise

Pharmacists say they have seen an increase in the number of generic scripts over the past two years. Moreover, they expect the upward trend to continue.

This is just one finding of *Drug Store News*' nationwide pharmacy survey conducted earlier this year by Lebhar-Friedman Research.

The survey, which covered 575 pharmacists across the country, found that scripts are being dispensed generically about half the time (51.5%), with chain pharmacists (53.5%) a little more likely than independents (46.3%) to fill a generic script.

How often scripts are filled generically



Source: *Drug Store News* pharmacy survey

The vast majority of the pharmacists (85%) also said the cost of carrying extra generic inventory was outweighed by the lower prices and better margins achieved with generics.

The respondents also said overall consumer reaction to generics had been positive (74%). Almost all of the rest said reaction was neutral; almost no one said negative.

Not only is most consumer reaction positive, the survey found, but consumers are also asking a lot more questions these days about generic drugs. Ninety-two per cent of the pharmacists agreed that consumers are more inquisitive about generics and substitution.

In addition, most of the pharmacists said they didn't find it difficult finding acceptable generics, even in the face of price constraints imposed by state substitution formularies.

Nearly two-thirds of the respondents said they found it "not at all/not too difficult" finding generics which fit formulary constraints. Less than 3 in 10 found any difficulty at all.

Of the factors that pharmacists weigh in choosing to substitute for a branded drug, four were rated "extremely/very important" by more than 3 out of 4 of the respondents. They were "equal quality" (90%), "therapeutically equivalent" (89%), price (82%) and patient request (75%).

Less important were "improve profits" (56%) and "company policy" (38%). "Rebate or other incentives" was judged important by only 6% of the pharmacists who regularly dispense generics.

On three of those factors, there were significant differences between chain and independents pharmacists. Almost 4 of 5 chain pharmacists viewed a patient's request as an extremely or very important reason for substitution, compared to 2 out of 3 independent pharmacists.

In addition, profit enhancement was viewed as important by more chain pharmacists (60%) than independents (49%). Finally, almost twice as many chain pharmacists (45%) than independents (24%) saw company policy as a key factor.

There were also other differences between chain pharmacists, who comprised about two-thirds of the respondents, and their independent counterparts.

Ninety per cent of the chain pharmacists, for example, foresaw an increase in the number of generic scripts over the next two years, compared to 85% of the independents. What's more, 94% of the chain practitioners said they had seen an increase in the past two years vs. 88% of the independents.

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CHANDISER
goods sell well as aining rises—p. 31

PHARMACY
NFL punter gets his kicks behind the counter—p. 21

DRUG STORE NEWS®

Serving the Retail Drug Store Industry for 55 years Published by Lebhar-Friedman Inc. November 26, 1984

Peoples set to buy 134-unit Rea and Derick

ALEXANDRIA, Va. — Peoples Drug Stores has signed a definitive agreement to acquire the 134-unit, $200 million Rea and Derick drug chain from American Stores.

The agreement, which is expected to be finalized shortly, will expand Peoples' annual sales to nearly $1.2 billion and put the now 750-unit chain in a position to challenge Thrifty Drug of Los Angeles for the rank of the industry's ninth highest volume drug store retailer.

It will also give Peoples market dominance in central and southern Pennsylvania where the Rea and Derick stores are generally conceded to be No. 1 in market share.

Peoples, which is either No. 1 or No. 2 in about 70% of its 100 markets, is relatively new to the Pennsylvania market, but the chain has a strong presence in the Maryland markets that are contiguous to the Rea and Derick markets.

"There's just a slight overlap in southern Pennsylvania between our stores and theirs," says Joe Pollard, Peoples' vp of advertising.

"We may have one or two stores in markets where they now have 10 to 15 stores. However, in those markets where we are contiguous to them like Hagerstown or Fredericksburg or Cumberland, Md., we're No. 1, while in their markets, they're generally No. 1."

Pollard says that Peoples may not choose to relinquish the Rea and Derick name, first because the chain is such a dominant presence in its markets and, second, because market research shows that the stores have a good reputation with consumers.

Instead Peoples may elect to do common advertising using the names of both chains in its television ads and newspaper circulars.

"Advertising efficiencies would be one reason to change the name," says Pollard, "But advertising efficiencies are not dependent on name changes. We can always run commercials saying these values are obtainable at all Peoples and Rea and Derick stores.

"They've got a great name in Pennsylvania and a valuable franchise, so we won't act precipitously to change anything."

Peoples was not commenting yet on possible management changes, but Pollard did say that the chain "always tries to hold what is good" and Rea and Derick is a "good running operation."

In operation, size and lines of merchandise, the Rea and Derick stores are similar to Peoples'. The Rea and Derick stores, like Peoples', acquire most of their merchandise through their own distribution center.

Market research also shows that Rea and Derick has a strong constituency among consumers who rate them high as preferred outlets in which to ac-

Continued on page 37

The new Sequim, Wash., store contains 11,200 sq. ft. of selling space.

Small town prototype

Pay Less opens smaller Key store

By Lou Karney

SEQUIM, Wash. — Pay Less unveiled its new downsized prototype called Key Drug this month, the first of some 100 similar stores planned for the next three to four years.

The 10,000- to 15,000-sq.-ft. stores are aimed at smaller but growing communities not yet able to support a conventional 30,000-sq.-ft. Pay Less superstore. Pay Less expects the new prototype stores to average $1.5 million to $2 million a year, compared with its superstore average of almost $6 million.

According to Gary Augustin, general manager of the Key Drug division, Pay Less will open 15 to 20 Key Drug stores next year and is currently looking at sites in 23 towns in Washington, Oregon, California and Idaho.

Augustin says that Key stores will carry about half the number of sku's of a typical Pay Less—12,000 to 15,000 for Key vs. 25,000 to 30,000 for Pay Less—with Key zeroing in on 60% of the fastest movers.

While Pay Less and Key both have the same basic pricing structure on staples, Key is not as ad-driven as its superstore siblings. Pay Less, for example, runs 6- to 8-page color newspaper inserts weekly, while Key will run a single weekly page, plus 4- to 6-page tabloid circulars 10 times a year for holiday promos. In addition, Key will promote fewer loss-leader consumables such as food, paper, beverages and soaps/detergents.

With a lighter promotional punch and lower labor costs resulting from shorter hours, Key expects to be able to operate on an average gross margin of around 30%, and three to four percentage points higher than Pay Less stores.

Key's merchandise mix will be geared to area competition and market needs. At the 17,000-sq.-ft. Sequim store, for example, management has

Continued on page 37

Rxers blow the whistle on bogus Ovulen pills

ROCKVILLE, Md.— Pharmaceutical buyers at Eckerd Drug along with sharp-eyed independent pharmacists in Kansas, Illinois and Wisconsin were credited by the Food and Drug Administration with spotting counterfeit versions of Searle Pharmaceuticals' Ovulen-21 oral contraceptives.

The discovery of the bogus OCs prompted a nationwide voluntary withdrawal of two batches of the drug by Searle earlier this month as well as an intensive hunt by F.D.A. officials to track down the source of the counterfeit drugs.

At presstime F.D.A. said the counterfeit Ovulen tablets had been traced to two New York state distributors: Interstate Cigar Company of Westbury, N.Y., and Interstate Drug Exchange Inc. of Plainview, N.Y. Both of those firms launched their own recalls of approximately 1.2 million OC tablets (apparently all of which are phony, according to F.D.A.).

Officials at both of those (unrelated) Long Island wholesale drug companies told *Drug Store News* that they had purchased their supplies of the questionable Ovulen from a third distributor—Florida-based Lantor Corp.

Although F.D.A. investigators have contacted all three of those wholesalers, at presstime they had not yet traced the counterfeits back to the original source.

Significantly, Federal drug investigators told *Drug Store News* that while there is no evi-

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Gray tightens belt to cut profit slide

CLEVELAND — In an effort to stop sliding profits, Gray Drug Fair has begun a campaign to cut corporate costs and stimulate sales by reducing its margins. The company is also looking to acquire a drug chain during the coming year.

These were among the strategies described by officials from Sherwin-Williams, Gray Drug Fair's parent company, during last month's closed meeting with financial analysts in New York.

According to analysts who attended the meeting, Mac Allen Culver, the drug chain's new president, said the company was undertaking vigorous remedies following a $1.1 million operating loss for the drug chain during the third quarter ended Sept. 30.

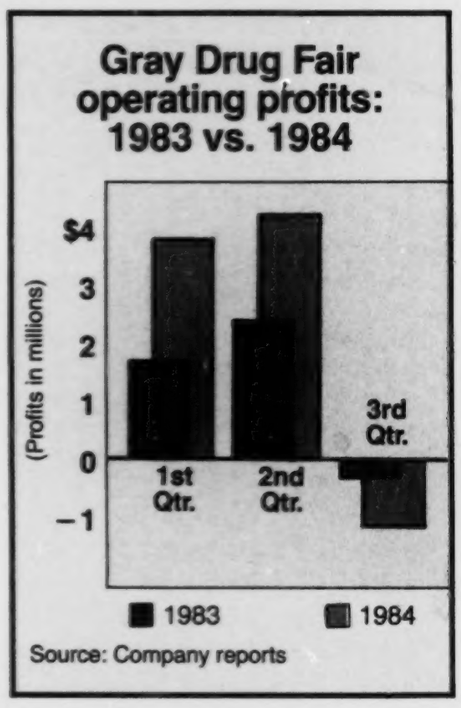
The loss took the edge off the strong turnaround forecast for the chain after the first half, when operating profits reached $8 million. In addition, sales, which had increased at an 11% rate for the first half, slowed to a 3% growth for the third quarter.

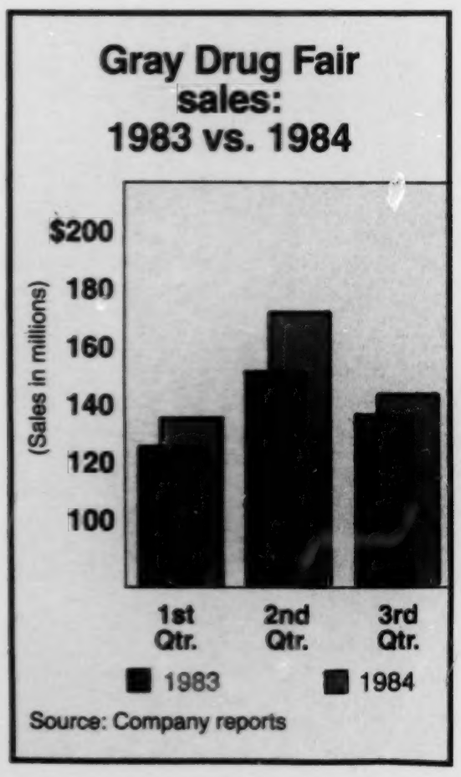
Although company officials would not comment, several knowledgeable sources said that the drug chain had laid off some 70 headquarters personnel, for a saving of about $2 million.

Analysts were guarded in their predictions as to whether steps taken by Gray will make a big difference in the chain's performance. While they expect some improvement, the consensus was that it will take some time before Gray reaches the industry standard of 6% on the operating profit line.

One analyst said it was still too early to judge the performance of Culver, who came to Gray Drug Fair in July from Pay Less NW. He also pointed out that Gray had been hard hit by the growing number of deep-discount stores, particularly in the Cleveland area.

Continued on page 37





Vendors reach settlement with Northwestern

SEATTLE — Four of the five pharmaceutical manufacturers sued by Northwestern Drug and its Velocity Hospital Group subsidiary—Pfizer, Ayerst, Sandoz and Lilly—have settled out of court. The fifth manufacturer, Smith Kline & French, has filed a counterclaim against Northwestern for "abuse of process."

In essence, SKF claimed there is no evidence to support Northwestern's suit and asked Northwestern to drop it. Northwestern refused to do so. Consequently, SKF—along with the National Wholesale Druggists' Association—remain as defendants in the trial, scheduled to begin Feb. 25 in the Federal District Court in western Washington.

Said an SKF spokesman: "Northwestern decided to continue the lawsuit despite recently completed pretrial discovery which disclosed improper motives and purposes on the part of Northwestern in maintaining the lawsuit. In other words, there was no evidence to support their suit."

The lawsuit was filed by Northwestern and Velocity after Lilly, SKF, Sandoz and Pfizer refused to ship to Northwestern because of the manufacturers' policy not to sell to retailer-owned wholesalers. Pay 'n Save purchased Northwestern in February 1984.

The fifth manufacturer in the suit, Ayerst, had said it would continue to ship pharmaceuticals to Northwestern, but at retail rates.

As for codefendant NWDA, the Northwestern suit charged the association with "conspiring with its trustees, officers and members, including the vendor defendant who is an NWDA associate member, to expel Northwestern from membership in NWDA due to Northwestern's affiliation with a retailer."

The terms of the settlement with the four manufacturers vary. Pfizer agreed to supply Northwestern with its products provided that the wholesaler sell them only to other drug retailers. They are not for resale to Pay 'n Save or Bi-Mart drug stores.

A spokesman for American Home's Ayerst division would not comment on the terms of the agreement.

An attorney for Sandoz told *Drug Store News* that the company decided to reinstate Northwestern before the suit was filed—on the same terms that existed before Northwestern was acquired by Pay 'n Save. "Therefore," he said, "the suit became redundant." Why the reinstatement? "For business reasons," the lawyer said.

Lilly settled by agreeing to supply Velocity Hospital Group with a half-dozen chargeback items (but none of some 300 other pharmaceuticals manufactured by Lilly) until June 30, 1985.

A Lilly spokesman told *Drug Store News:* "We view this as a favorable settlement. It avoided the expense of a trial and the cost of a settlement. After June 1985, however, we will discontinue selling pharmaceuticals to Northwestern."

Asked to comment on the circumstances which brought about the reduction of defendants from six to two, a Northwestern exec said that the "agreements with Ayerst and Sandoz will enable Northwestern to function as always, and the agreements with Pfizer and Lilly reflect mutually beneficial positions and reconciliation of views, opinions and policies."

An exec for a major drug wholesaler said: "These agreements were made possible because Sandoz, Ayerst and Pfizer made concessions because they fear the inroads of generics. Washington and Oregon law allows pharmacists to substitute if the drugs are bioequivalent. So if these manufacturers choose not to sell to Northwestern, then Northwestern could switch to generics and the manufacturers would lose the business."

—News in brief—

Drug Castle to open 2nd deep-discount

SPRINGFIELD, Ohio — Drug Castle's second franchised deep-discount store will open in Humber Heights, between Dayton and Springfield, on Dec. 20.

The 30,000-sq.-ft. store will have 25,000 sq. ft. of selling space and 5,000-sq.-ft. storage. The franchisee of the new store and of the first Drug Castle in Springfield is Brown Drug Co. Richard Brown, president of Brown Drug, is also the president of Drug Castle.

Dale Obracay, vp of Drug Castle Franchises, said there are nine other stores on the drawing board to be located in Houston, Canton, Ohio; Newark, N.J., and Fort Wayne, Ind.

Walgreens' sales up 16%

DEERFIELD, Ill. — A strong Halloween gain and continuing strong pharmacy performance pushed Walgreens' October sales up 16% to $231.7 million from $200 million in the same month last year. Sales for the 10 months through October were $2.24 billion, 16.5% higher than the $1.92 billion recorded in the same 1983 period. As of Oct. 31, Walgreens was operating 1,104 retail units in 30 states and Puerto Rico vs. 1,033 a year ago.

Big B earnings up

BIRMINGHAM, Ala. — Big B reported that net earnings for the third quarter ended Oct. 20 increased 17% to $546,000, or 9¢ a share, from $455,000, or 7¢ a share, in the comparable year-earlier period. Sales for the quarter rose 17.8% to $31.1 million from $26.4 million. For the first nine months, profits increased 24% to $2.6 million, or 40¢ a share, from $2.1 million, or 32¢ a share, a year earlier. Nine-month sales rose 24% to $100.3 million from $80.7 million.

Feds ease eyeglass rules

WASHINGTON — A sweeping new Federal Trade Commission rule aimed at dismantling anticompetitive restrictions against drug chain optical center operations in dozens of states won tentative approval from agency topsiders earlier this month.

Although the text of FTC's new Eyeglass II rule was still being written at presstime, *Drug Store News* has learned that the regulation will pre-empt scores of existing state laws and optometry board regulations which prohibit eye care professionals from practicing in drug stores and other commercial establishments.

In addition, the regulation will seek to overturn dozens of other related state "form of practice" restrictions.

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Vol. 6, No. 25 November 26, 1984

DuBow named NWDA chairman, pledges wholesaler task force

ORLANDO, Fla. — As the newly elected chairman of the National Wholesale Druggists' Association, Laurie DuBow, president of Lawrence Pharmaceuticals of Jacksonville, Fla., doesn't intend to spend any time "reinventing the wheel."

DuBow, who succeeded Bergen Brunswig's Elmer Fiery as chairman at last month's annual meeting here, plans to start his year's tenure by launching several programs designed to identify and resolve "as many basic common denominator problems as we can find."

Starting in January, DuBow hopes to create a revolving task force of wholesalers to meet once a month or every other month and spend one or two days visiting a key manufacturer.

The task force, as DuBow sees it, will consist of companies from every segment of NWDA's broad-based membership. Now that NWDA and the Drug Wholesalers Association have merged, the resulting membership is composed of companies doing as much as $3 billion in sales and as little as $10 million or less. Some companies operate as many as 40 or more distribution centers while others operate just one. Some are basically just pharmaceutical houses, while others are full-line distributors.

Laurie DuBow

Says DuBow, who has been a wholesaler for nearly 30 years, "We want to produce a cross-section to represent all members, no matter their size, their corporate configuration or their owner."

DuBow says that he has already talked to more than a dozen manufacturers who are eager to participate.

"You know," he points out, "at some of our conventions we set aside part of a day for individual wholesalers and manufacturers to sit down for 12 to 15 minutes to go over their problems and opportunities. This is good, but it's not enough. To get a handle on the subject, you need more than 15 minutes or a half-hour, you need an all-day session. We have to learn from the manufacturers and the manufacturers have to learn from us."

Possible subjects for such meetings, he suggests, include standardizing return goods policies, doing a better job of obtaining and dispensing new product information and determining space allocation more efficiently.

Continued on page 38

Retailers scout new goods

Home health star of PLMA show

By Faye Brookman

ROSEMONT, Ill. — Private-label pump toothpastes, incontinence items and equivalents of new shampoo introductions were the scene-stealers during the recent Private Label Trade Show.

Drug chains attending the three-and-a-half-day event—sponsored by the Private Label Manufacturers Association—said they were looking to boost total store-brand count 10% to 15%. Their goal is to produce 10% of total sales with their own labels.

Many of the representatives of larger chains such as SupeRx, Hook, Walgreens and Fay's already stock well over 200 store brand sku's and were there to scout for new categories. Buyers from smaller chains including Ribordy, Wellby and Morgan Pharmacies were seeking to round out their own mix.

The area generating perhaps the greatest interest was home health care, particularly incontinence items. Manufacturers estimate that sales of incontinence products may be as high as $2.7 billion. Drug chains were anxious to get into that business because of high-gross margins and also because it is an effective way to tie the chain's name to health care.

"If there's one thing we're here to look at, it is incontinence items," said SupeRx's private-label buyer Bob Miles.

Other chains agreed that the incontinence area is a prime private-label growth area. In fact, Medicare-Glaser, Thrifty and Thrift Drug already have introduced their own labels. Those in it suggest merchandising the items next to the national brand in a home health care area—not near feminine hygiene.

Top level executives praised the private-label industry's growing sophistication and cited its speed at producing a pump toothpaste as a prime example of how far the industry has come in the past few years.

With Crest, Aim, Colgate and Check-Up all into the pump business, buyers are convinced pump toothpastes are here to stay. Most of the chains attending the show, including Walgreens, Hook's and Perry, expressed interest in adding a pump toothpaste sku.

"Sometimes new items come out and you're not sure what will happen, so you hold off on a private label," said Steve Rains, buyer for Hook Drug,

Continued on page 37

SupeRx's Tony Fanticola, director of merchandising, and Bob Miles, private label buyer, were among the many drug store retailers attending the private label show at the O'Hare Expo Center.

FINANCIAL

Earnings drop as Med-Glaser looks to future

ST. LOUIS — A "conscious decision" by Medicare-Glaser to give up short-term earnings growth in order to gain market share and long-term profitability sent profits plummeting for the second quarter and first six months of fiscal 1985.

The St. Louis-based drug chain reported that earnings for the second quarter ended Sept. 30 fell 45% to $167,000, or 5¢ a share, from $304,000, or 13¢ a share, for the comparable year-earlier period. Sales for the quarter were up 4.4% to $19.6 million from $18.8 million.

For the first six months, earnings declined 30% to $281,000 or 9¢ a share, from $402,000, or 17¢ a share, in the comparable period a year ago. Sales increased 4.3% to $39.2 million from $37.6 million.

The company reported that it had "embarked on a vigorous program of opening new stores, while remodeling and enlarging existing stores. At the same time the company is broadening its product mix and enhancing its competitive posture."

The result, according to Medicare Glaser, has been "significant new store losses." The company also said that results had been affected by the cost of adding to its management team to handle expected growth in its full-line drug stores as well as a diversification into home health care and deep discounting.

In addition, Medicare-Glaser reported that it had made a "significant" investment in the development and marketing of its medical information subsidiary, Professional Drug Systems Inc. [PDS], in order to accelerate the subsidiary's long-term growth.

The company reported that during the second quarter PDS delivered a computerized pharmacy system to a major drug chain, which added about $213,000 to net earnings for the period.

At the close of the second quarter, the company was operating 62 professional pharmacies, 28 full-line drug stores, 12 retail optical centers and a home health care center—all in Missouri, Illinois and Conn.

27 Gainers
4 Unchanged
25 Losers

Top five gainers

Company	2-week % change	Closing price 11/5
Newport Pharm	+26.64	$ 6.13
Lee Pharm	+22.73	3.38
Squibb	+ 9.40	52.38
Upjohn	+ 8.13	66.50
Spectro Indus	+ 8.08	26.75

Top five losers

Company	2-week % change	Closing price 11/5
Hook Drug	−14.29	$18.00
Cooper Labs	−14.18	15.13
Owens & Minor	− 8.62	13.25
ICN Pharm	− 6.85	8.50
Morton Thiokol	− 5.96	84.88

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		From 10/19/84 - 11/05/84							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
Name	Symbol	High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct			Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
-	-	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	-	$	%	-	$ Mil	$ Mil	-	$	$	-
Chain Store transactions																											
Adams Drug	ADG	24.38	24.13	24.25	-.13	-.51	24.38	11.00	.72	-.32	-8.74	-18.57	1.74	.60	S	48.7	40.0	2.4	13.3	.04	.2	09-10-84	302.1	7.1	3.2	7.78	11.40	1283
Am Stores	ASC	41.13	37.75	38.13	-1.63	-4.09	42.88	26.50	-.15	-.19	1.21	-41.70	3.61	.87	S	27.9	51.0	1.5	9.6	.64	1.7	09-18-84	7983.7	117.9	1.5	12.39	15.26	0184
Begley Co	BGLY	15.50	15.50	15.50	.00	.00	18.50	14.50	-.06	-.35	2.64	53.85	1.47	1.46	N	NC	-10.0	1.4	10.6	.68	4.4	10-16-84	56.8	.8	1.8	11.50	17.52	0383
Big B	BIGB	12.25	11.25	11.25	-.13	-1.10	13.25	8.88	.05	-1.35	1.35	-18.35	.53	.14	S	31.1	23.0	3.0	19.1	.00	.0	09-21-83	117.0	3.5	2.3	.18	3.88	0184
Drug Sys	DRGS	5.63	4.88	4.88	.13	2.63	7.50	3.25	1.27	-2.65	1.77	-4.42	.56	-.16	F	-22.2	NC	2.1	8.7	.00	.0	01-25-84	82.3	1.7	3.0	1.28	5.84	0364
Eckerd, Jack	ECK	28.75	27.13	28.00	.25	.90	29.38	20.25	.32	-.25	-.85	-15.35	2.27	.36	F	18.8	4.0	3.3	12.3	1.00	3.6	09-10-84	2622.5	85.4	2.0	2.52	16.47	0784
Fay's Drug	FAY	12.00	10.88	11.75	.63	5.62	14.50	8.38	.34	.41	3.81	-6.61	.60	.15	S	29.4	52.0	2.6	17.8	.20	1.7	09-24-84	312.4	8.1	1.7	1.78	3.82	0184
Genovese Drug	GDX	14.13	13.50	13.75	-.38	-2.65	20.50	11.50	.11	-.60	-1.01	-7.29	.96	.25	S	32.0	70.0	2.0	13.3	.20	1.5	09-17-84	193.8	3.9	1.9	2.83	4.92	0184
Hook Drugs	HOOK	21.25	18.00	18.00	-3.00	-14.29	29.50	18.00	-.80	-1.42	6.65	9.84	2.01	-.07	S	-3.5	8.0	2.7	9.5	1.00	5.6	10-09-84	320.5	8.7	1.7	2.70	10.38	1283
Longs Drg Strs	LDG	44.75	42.63	44.25	.63	1.43	49.75	34.00	.19	-.13	-.89	-3.42	3.43	.41	S	12.9	11.0	3.0	12.4	1.28	2.9	08-28-84	1214.4	36.4	1.9	.00	21.13	0184
Pay N Save	PAYN	23.00	22.75	22.88	.25	1.11	28.75	14.38	-.13	-.43	-13.46	-9.45	2.02	-.23	S	-13.2	0	2.5	15.3	.60	2.6	08-20-84	1220.5	30.1	2.0	9.01	14.37	0184
Pay Less NW	PAY	24.13	22.00	24.00	.75	3.23	24.13	14.00	.45	.52	4.21	4.83	1.35	.34	S	29.8	4.0	2.9	16.2	.34	1.4	09-17-84	852.9	24.7	1.8	4.62	7.19	0184
Perry Drug	PDS	17.00	16.13	17.00	.00	.00	19.63	12.38	-.41	.06	4.58	58.45	1.02	.45	N	52.9	12.0	1.6	13.1	.24	1.4	08-21-84	285.5	4.5	2.2	2.78	9.75	1083
Revco Drug	RDS	29.25	27.00	28.00	-1.25	-4.27	37.50	24.00	-.23	-.74	-2.33	11.03	2.54	.52	Q	26.0	26.0	4.2	11.1	.80	2.9	08-20-84	2227.5	93.4	2.1	1.08	12.22	0584
Rite Aid Corp	RAD	27.25	24.50	27.00	1.50	5.88	27.25	17.50	.30	.28	2.50	-4.84	1.47	.30	S	23.4	29.0	5.1	17.1	.51	1.9	10-09-84	1223.3	62.2	2.3	.49	7.68	0284
Thrifty Cp	TFD	21.38	19.63	20.50	.25	1.23	21.38	11.50	.46	-.09	1.98	-22.83	1.40	.27	F	23.8	20.0	2.1	14.6	.52	2.5	08-06-84	1299.3	27.9	1.5	5.39	6.83	0883
Walgreen Co	WAG	43.25	41.63	43.25	1.25	2.98	43.25	28.63	.47	-.01	1.11	-7.59	2.78	.51	F	22.4	42.0	3.1	15.6	.88	2.0	11-07-84	2744.6	85.4	1.6	1.76	11.47	0883
Wholesaler's transactions																											
Bergen Bruns	BBCA	24.75	23.00	23.75	.25	1.06	28.63	19.00	.28	-.38	-4.15	-44.08	1.86	.26	F	16.2	37.0	1.4	12.8	.32	1.3	10-26-84	1703.4	23.4	1.6	1.22	9.99	0883
Cardinal Dist	CDIC	14.50	13.50	14.00	-.25	-1.75	19.25	13.50	-.93	-.58	-.98	79.45	1.01	.99	Q	NC	23.0	1.1	14.1	.00	.0	00-00-00	243.3	2.6	1.8	1.01	6.50	0384
Durr Fillauer	DUFM	13.75	12.75	13.00	-.75	-5.45	16.25	10.25	-.15	-.10	-2.68	16.09	.80	.09	S	12.0	21.0	1.9	15.5	.16	1.2	08-20-84	263.2	5.0	2.3	2.03	6.80	1283
McKesson Cp	MCK	39.50	37.88	39.25	1.38	3.63	44.25	32.38	-.04	.00	-1.38	-6.46	3.25	-.08	S	-2.4	.0	1.5	12.1	2.40	6.1	08-28-84	4260.0	63.0	1.4	10.45	30.25	0384
Foxmeyer Cp	FOXM	25.00	23.88	24.25	-.50	-2.02	26.75	20.00	.08	-.22	1.10	-26.87	1.27	.33	F	35.1	51.0	1.1	19.1	.00	.0	00-00-00	464.2	5.2	2.0	3.95	11.86	0384
Ketchum	KCH	16.50	15.00	15.75	-.75	-4.55	20.19	10.09	.24	-.81	3.20	-57.87	.77	-.26	Q	-29.2	87.0	.3	25.0	.00	.0	09-24-84	245.1	.8	1.5	6.37	6.74	0484
Owens & Minor	OBOD	14.75	13.25	13.25	-1.25	-8.62	17.25	11.25	-.09	-2.18	-1.44	-21.47	1.41	.17	S	14.5	10.0	1.2	9.9	.36	2.7	12-10-84	255.2	3.0	2.8	5.07	11.69	1283
Spectro Indus	SPO	27.00	25.00	26.75	2.00	8.08	27.00	15.50	.35	-.05	1.68	42.99	1.78	.72	S	48.9	57.0	1.8	12.2	.14	.5	09-24-84	395.4	7.2	1.7	2.46	8.88	0384
Manufacturer's transactions																											
Abbott Labs	ABT	42.50	40.00	41.63	-.63	-1.48	50.50	36.75	-.02	-.40	-2.81	-5.09	2.86	.50	N	18.5	25.0	11.9	13.0	1.20	2.9	10-09-84	2927.9	347.6	1.9	4.00	11.71	1283
Am Home Prod	AHP	50.63	49.25	49.88	.00	.00	55.75	46.75	.06	-.18	1.10	-18.92	4.00	.46	S	12.2	16.0	12.9	11.8	2.64	5.3	08-07-84	4856.5	627.2	3.0	.00	13.14	1283
Baxter Travenol	BAX	14.13	13.25	14.13	.25	1.80	27.38	12.50	-.10	.05	-1.75	-3.75	1.45	-.18	N	-12.7	18.0	11.8	11.5	.33	2.3	08-31-84	1842.5	218.1	1.7	1.60	8.17	1283
Block Drugs Co	BLOCA	27.00	27.00	27.00	.00	.00	28.25	25.00	-.05	-.33	-2.84	-70.00	3.28	.32	Q	10.5	16.0	10.0	8.1	1.00	3.7	08-28-84	238.2	23.9	2.3	2.41	20.68	0384
Bolar Pharm	BLR	26.50	24.00	24.25	-.88	-3.48	32.00	17.50	-.27	-1.24	-8.47	31.00	1.15	.13	S	13.0	46.0	19.2	21.5	.05	.2	02-10-84	25.5	4.9	4.9	.00	4.76	1283
Bristol-Myers	BMY	50.00	47.50	49.75	1.50	3.11	50.38	40.75	.30	.04	-.53	3.05	3.00	.46	N	15.9	19.0	10.4	14.9	1.60	3.2	10-01-84	3917.0	408.0	2.4	.71	13.99	1283
Carter-Wallace	CAR	27.88	25.50	27.50	2.00	7.84	27.88	19.38	.60	.40	1.46	-13.78	2.37	1.86	S	265.7	30.0	5.7	10.7	.48	1.7	07-26-84	323.1	18.4	2.4	1.69	21.87	0384
Cooper Labs	COO	17.88	15.00	15.13	-2.50	-14.18	27.00	10.38	-.41	-2.78	-9.69	-25.34	.51	-.04	N	NC	NC	3.5	NE	.12	.8	03-12-84	232.5	8.2	1.9	4.36	13.07	1083
Forest Labs	FRX	16.38	14.00	14.38	-.13	-.86	32.25	11.25	.31	-1.34	1.42	-2.66	.54	.08	Q	16.6	56.0	14.8	25.7	.00	.0	01-14-83	19.6	2.9	8.3	.28	5.42	0384
ICN Pharm	ICN	9.13	8.25	8.50	-.63	-6.85	9.75	4.88	-.25	-1.18	-3.83	22.06	.22	-.09	S	-32.1	42.0	5.1	44.7	.00	.0	00-00-00	37.0	1.9	4.3	.20	4.34	1183
Key Pharm	KPH	12.13	10.50	11.25	-.50	-4.26	20.25	10.50	-.97	-.03	-1.53	-24.89	.51	.20	S	50.0	78.0	14.8	18.8	.16	1.4	09-10-84	127.3	18.8	2.1	1.16	1.67	1283
Lilly Eli Co	LLY	62.88	59.88	62.63	2.63	4.38	67.88	53.00	.33	.46	-4.48	25.02	6.13	.79	N	13.4	12.0	15.1	9.4	3.20	5.1	11-08-84	3033.7	457.4	1.9	1.23	28.86	1283
Lee Pharm	LPH	3.38	2.63	3.38	.63	22.73	3.75	2.13	.34	-1.26	7.35	-18.78	-.49	.23	N	NE	-92.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	2.6	.41	1.53	0983
Marion Labs	MKC	42.75	39.88	41.38	1.38	3.44	44.00	27.25	.20	-.51	1.16	-58.80	1.24	.50	Q	56.8	59.0	10.6	30.0	.40	1.0	09-12-84	226.4	24.1	2.4	.04	7.05	0684
Merck & Co	MRK	89.13	84.25	88.75	1.75	2.01	99.50	78.25	.18	.38	-.60	10.74	6.10	.52	N	8.6	7.0	13.9	13.6	3.00	3.4	08-31-84	3246.1	450.9	1.7	5.21	32.92	1283
Morton Thiokol	MTI	90.50	84.50	84.88	-5.38	-5.96	91.00	60.00	.05	-.55	-.65	-6.50	6.50	1.30	Q	23.6	27.0	5.5	12.5	1.76	2.1	08-27-84	2001.5	109.8	1.5	8.82	37.54	0684
Mylan Labs	MYLN	27.75	25.13	26.50	-.25	-.93	35.13	8.22	.30	-.15	-.97	14.35	.40	.24	Q	77.4	98.0	12.7	48.2	.03	.1	08-01-84	36.9	4.7	5.4	.21	1.52	0384
Newport Pharm	NWPH	6.63	4.50	6.13	1.25	25.64	9.63	2.75	.21	-2.05	-2.89	-27.26	-.21	-.18	F	NE	9.0	-26.0	NE	.00	.0	00-00-00	7.7	-2.0	2.6	.22	.93	0484
Pfizer Inc	PFE	40.25	35.25	40.00	2.50	6.67	41.13	29.38	.37	1.47	2.23	19.65	2.73	.43	N	16.6	18.0	11.9	13.2	1.32	3.3	07-26-84	3750.0	447.1	2.1	3.03	13.67	1283
Reid Prov Labs	REID	3.13	2.88	3.00	-.13	-4.00	4.75	2.75	-.66	.96	-2.93	13.77	.12	.02	F	20.0	107.0	6.7	25.0	.04	1.3	12-10-84	13.4	.9	3.1	.03	.80	0683
Robins, AH	RAH	20.88	17.63	20.00	-1.00	-4.76	26.00	12.00	.21	3.31	4.08	20.68	2.40	-.98	N	-41.3	9.0	10.3	14.4	.76	3.8	08-20-84	563.5	58.2	3.2	1.36	14.69	1283
Rorer Group	ROR	29.38	26.75	29.38	.63	2.17	34.25	25.25	-.70	.87	-2.46	-52.09	2.02	.28	S	15.3	10.0	8.9	13.9	1.08	3.7	08-06-84	475.3	42.4	2.0	2.18	10.43	1283
Scherer RP Co	SCHC	9.50	8.63	9.00	-.50	-5.26	18.75	8.63	-.28	-.18	-3.70	41.91	.52	-.40	Q	-44.4	-5.0	2.3	18.0	.32	3.6	09-12-84	171.7	4.0	1.9	4.83	11.14	0384
Searle, GD	SRL	61.50	55.50	58.50	.13	.21	61.50	37.50	.10	.14	-4.08	-9.14	2.39	.70	N	29.7	14.0	12.6	19.2	.52	.9	11-02-84	946.0	119.0	2.4	3.62	14.85	1283
Squibb Corp	SQB	52.75	47.50	52.38	4.50	9.40	52.75	37.50	.38	.92	1.10	4.16	3.31	.37	N	11.5	10.0	9.8	14.7	1.44	2.7	08-13-84	1768.9	173.3	2.4	3.86	23.24	1283
Sterling Drug	STY	27.75	26.13	27.00	-.25	-.92	29.50	23.50	.08	-.47	2.60	-5.91	2.24	.15	N	6.8	7.0	7.2	11.6	1.16	4.3	08-09-84	1901.2	136.8	2.7	1.44	14.96	1283
Syntex Corp	SYN	50.13	47.38	49.75	1.50	3.11	59.88	37.75	.23	.13	-.61	-8.63	4.08	-.22	F	-5.1	28.0	14.7	12.2	1.60	3.2	08-13-84	916.5	134.6	2.2	3.37	18.11	0783
Thompson Med	TM	17.75	16.50	16.50	-1.00	-5.71	26.50	13.25	-.49	-.85	-2.89	-.72	1.65	.67	N	42.1	65.0	11.0	7.3	.40	2.4	09-11-84	149.4	16.5	3.2	.00	5.85	1183
Upjohn Co	UPJ	68.00	60.75	66.50	5.00	8.13	72.25	45.00	.88	.93	5.48	20.09	5.28	.68	N	13.6	2.0	8.1	11.7	2.56	3.8	10-01-84	1986.1	160.2	2.2	18.02	34.74	1283
Warner-Lambrt	WLA	35.38	33.13	35.38	1.75	5.20	36.75	27.75	.41	.60	.72	34.42	2.51	.51	S	23.3	1.0	6.5	13.2	1.48	4.2	08-06-84	3108.3	200.5	1.9	7.53	17.75	1283
Zenith Labs	ZENI	16.75	16.00	16.25	-.63	-3.70	18.50	12.00	-.[illegible]	-.79	-5.35	27.69	.73	-.43	S	-45.2	56.0	7.8	31.3	.00	.0	00-00-00	32.1	2.5	4.6	1.12	5.12	1283

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Footnotes:
NA - Not Applicable
NC - Not Calculable
NE - Negative Earnings
NM - No Meaningful Figure
Q - First Quarter
S - First 6 Months
N - First 9 Months
F - Fiscal Year

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